



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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June 20, 2000

Patrick Collins, Resident Agent  
Mt. Nebo Scientific  
P. O. Box 337  
Springville, Utah 84663

Re: Findings for Chapter 1 Updates, Nevada Electric Investment Company, Wellington  
Preparation Plant, ACT/007/012-LF00B, Outgoing File

Dear Mr. Collins:

The above-referenced amendment has been reviewed and there are deficiencies that must be adequately addressed prior to approval. A copy of our technical analysis is enclosed for your information. Please respond to these deficiencies by July 26, 2000.

If you have any questions, please feel free to call me.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Pamela Grubaugh-Littig'.

Pamela Grubaugh-Littig  
Permit Supervisor

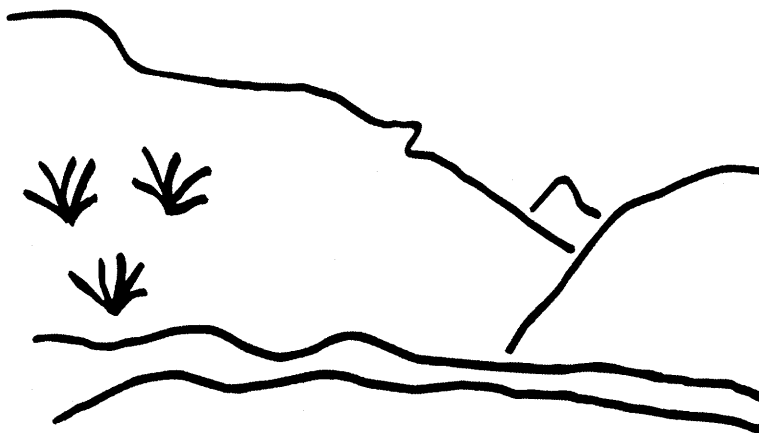
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Enclosure:

cc: Price Field Office

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# State of Utah



## Utah Oil Gas and Mining

### Coal Regulatory Program

Wellington Preparation Plant  
Updated Ownership and Control Information  
ACT/007/012-LF00B  
Technical Analysis  
June 16, 2000

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**INTRODUCTION**

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## **INTRODUCTION**

In a proposal dated June 2, 2000, Nevada Electric Investment Company (NEICO) has proposed to change the ownership and control information for the Wellington Preparation Plant. In July 1999, Nevada Power, the former owner of NEICO, merged with Sierra Pacific Resources, and Sierra Pacific Resources became the sole owner of NEICO. NEICO's officers and directors have changed.

## ADMINISTRATIVE INFORMATION

### OWNERSHIP AND CONTROL INFORMATION

Regulatory Reference: R645-301-112

#### Analysis:

In July 1999, Nevada Power and Sierra Pacific Resources merged, and Sierra Pacific Resources became the owner of Nevada Electric Investment Company (NEICO), the permittee for the Wellington Preparation Plant. The permittee and operator remain NEICO, a Nevada corporation. The amendment application indicates Covol Technologies is the operator under a lease on the east side of the property.

The Division requires full ownership and control information to be in the mining and reclamation plan for an operator, and the application does not contain this information for Covol. The Division has never considered Covol as an operator. The applicant should either provide full ownership and control information for Covol as an operator or clarify that Covol is a contractor authorized under the permittee and operator, NEICO, to extract coal fines.

The resident agent would remain Patrick Collins, and NEICO would be responsible for paying any abandoned mine reclamation fees. The application contains the addresses, telephone numbers, and employer identification numbers for NEICO and Sierra Pacific Resources.

The application also includes the names of the officers and directors of NEICO and Sierra Pacific Resources together with the positions these people hold. The application needs to give the dates these people assumed their positions.

NEICO previously owned 50% of the Crandall Canyon Mine, and the application gives information about this mine. The application needs to discuss whether Sierra Pacific is involved in any other coal mining and reclamation operations. If so, the application would need to include permit numbers and other relevant information about these operations. If not, the application should simply indicate Sierra Pacific does not own or control any other coal mining and reclamation operations.

#### Findings:

Information in the application is not adequate to meet the requirements of this section of the regulations. Prior to final approval, the applicant must supply the following in accordance with:

**R645-301-112.300,** The application should clearly show whether Covol Technologies is considered an operator. If so, the application would need to include complete ownership and control information for this entity. If not, the application should be

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**ADMINISTRATIVE INFORMATION**

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modified to show they are a contractor authorized to extract coal fines from the east side of the property.

**R645-301-112.330**, The application needs to give the dates the officers and directors of NEICO and Sierra Pacific Resources assumed their positions.

**R645-301-112.340**, The application should state whether Sierra Pacific Resources has owned or controlled any other coal mining and reclamation operation within the past five years. If so, the application would need to contain identifying and violation information for these operations.

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